

昭和十六年九月廿四日
第三種郵便物認可
毎月一回發行

TOKYO GAZETTE

A MONTHLY REPORT OF CURRENT POLICIES,
OFFICIAL STATEMENTS AND STATISTICS

VOLUME V

No. 3

CONTENTS

A STUDY ON THE BIRTH-RATE

(Institute for Research in the Population Problem)

JOINT DEFENCE OF FRENCH INDO-
CHINA

(Board of Information)

REINFORCING JAPANESE FORCES
IN FRENCH INDO-CHINA

(Board of Information)

COUNTER MEASURES AGAINST THE
FREEZING OF JAPANESE ASSETS

(Department of Finance)

CORPORATION FINANCE AND ACCOUNT-
ING UNDER EFFICIENT CONTROL

(Department of Finance)

September, 1941

TOKYO GAZETTE

A MONTHLY REPORT OF CURRENT POLICIES,
OFFICIAL STATEMENTS AND STATISTICS

CONTENTS

A STUDY ON THE BIRTH-RATE <i>(Institute for Research in the Population Problem)</i>	113
JOINT DEFENCE OF FRENCH INDO-CHINA <i>(Board of Information)</i>	122
REINFORCING JAPANESE FORCES IN FRENCH INDO-CHINA <i>(Board of Information)</i>	129
CULTURAL RELATIONS BETWEEN JAPAN AND CHINA 1862-1941 (II) <i>(Third Division, Board of Information)</i>	132
COUNTER MEASURES AGAINST THE FREEZING OF JAPANESE ASSETS <i>(Department of Finance)</i>	139
CORPORATION FINANCE AND ACCOUNT- ING UNDER EFFICIENT CONTROL <i>(Department of Finance)</i>	144
FROM JAPANESE POINTS OF VIEW Nippon Nōmin no Seikatu-zyōtai (Living Conditions of Japanese Farmers) Hikari to Kage (Light and Shade)	151
CONCERNING THE EXCHANGE OF MESSAGES BETWEEN PRIME MINISTER, PRINCE FUMI- MARO KONOE, AND PRESIDENT OF THE NATIONAL GOVERNMENT OF CHINA, MR. WANG CHING-WEI —Announcement made by the Board of Informa- tion on July 23, 1941—	161
DOCUMENTS CONCERNING JOINT DEFENCE OF FRENCH INDO-CHINA	163
STATEMENTS CONCERNING THE ELEVATION OF THE JAPANESE LEGATION IN THAILAND TO THE STATUS OF EMBASSY	167

Vol. V No. 3

September, 1941

Published Monthly by the Tokyo Gazette Publishing House

The TOKYO GAZETTE is published monthly by the Tokyo Gazette Publishing House under the supervision of the Board of Information. Its purpose is primarily to supply information concerning the nature of problems being confronted today by the Japanese nation as a whole, and of the governmental steps being taken to solve these problems.

The material in the TOKYO GAZETTE is selected mainly from the *Weekly Report*, edited by the same Board. The accuracy and comprehensiveness of data presented in the *Report* are fully established. For the benefit of students of Japanese affairs, the TOKYO GAZETTE is endeavouring to maintain these qualities in the hope that its publication will eliminate unfortunate misunderstandings and thus contribute to world peace and international goodwill.

Printed in Japan

A STUDY ON THE BIRTH-RATE

INSTITUTE FOR RESEARCH IN THE POPULATION PROBLEM

THE programme for the establishment of a population policy decided on at a recent meeting of the Cabinet Council is aimed at the increase of human resources through the increase of births, decrease of deaths, and improvement in the quality of the population. With regard to the increase of births it is urged that in the next ten years the average age of marriage should be lowered by three years, while the average number of offspring for each married couple should be raised to 5. This naturally gives rise to the questions: What is the average age of marriage at present? What is the average number of offspring for each couple married at that age? Is it possible to increase the number of children to five by hastening marriage by three years? How is fertility affected by occupation, financial position, and educational standards?

These questions may be answered to some extent by the results of the investigations carried out by the Institute for Research in the Population Problem, which are summarized below.

The average age of first marriages for women was 24.156 in 1937 and 24.414 in 1938. Assuming that conceptive activity ceases at 44 years of age, the procreative capacity of wives married at the aforementioned ages lasts about 20 years. The results of the survey by the Institute reveal that wives married at 24 years of age have 4 children on an average during 16 to 20 years of their married life. Even when the duration of marriage is between 21 and 30 years, the average number of offspring is nearly the same, standing at 4.1. But the figures for wives married three years earlier, or at the age of 21, are 4.5 and 5 during the respective periods of married life. As the conceptive activity for wives married at 21 lasts for more than 20 years, it is certain that they can bear 5 children on an average. In the same way the birth-rate among wives married at 20 is 4.7 during 16 to 20 years of married life and 5.4 in 21 to 30 years.

If, therefore, the recent average age of marriage, i.e. 24.41, is

retained or advanced, the average number of offspring can hardly be expected to rise to 5. Even if the average age became earlier, if the practice of deliberate family limitation is widespread, the birth-rate may further fall. Setting aside such other circumstances, it is necessary that the average age at marriage for women should become three years earlier, i.e. 21, in order that the average number of children for each couple may increase to 5. It is, however, extremely difficult to lower the average age of wives at marriage while the husbands' remain as it is, for in Japan the difference in the ages of husband and wife is almost always fixed. The average age of first marriage for wives was 22.87 in 1908 (the first year that such statistics were compiled), which gradually showed an upward tendency until it rose to 24.41 in 1938, while the similar figure for men was 26.81 in 1908, which also increased by degrees till it reached 28.39 in 1938. In any year between 1908 and 1938 the difference in ages of husband and wife was from 3.9 to 4.1 years. Therefore, in order that the average age at marriage for wives may be lowered from 24.4 to about 21 years, that for husbands must also be lowered from 28.4 to about 25 years. The lowering of the average age of marriage of men from 28 to 25 may not in itself contribute so much to the increase of fertility as lowering the wives' age. But it is of great significance as an important factor in lowering women's age at marriage from 24 to 21. For in most cases it is men who take the initiative in marriage, and consequently even if women are ready to be married at 21, marriage cannot be easily hastened unless men are willing to marry at 25.

High Fertility of Farmers

The birth-rate differs according to occupations. Among persons following the same occupations there is also difference in this respect in urban and rural districts. The average number of children for married couples past conceptive activity (i.e. couples with wives over 44 years of age), as classified by occupations and areas, is as follows:

Occupations	No. of married couples surveyed	No. of children	No. of children per couple
Salaried men			
in urban districts	614	2,376	3.87
in rural districts	559	2,268	4.06

Wage-earners			
in urban districts	1,391	5,715	4.11
in rural districts	810	3,534	4.36
Small and middle-class tradesmen and manufacturers			
in urban districts	1,183	4,933	4.17
in rural districts	1,305	5,221	4.00
Farmers	10,540	52,482	4.98

In the above table farmers stand first with an average of 4.98 children, or nearly the same number as urged in the programme for population policy referred to elsewhere. This may be attributed to the high fertility as well as the comparatively early marriage in the agrarian class. Next come the rural wage-earners with an average of 4.36. Figures for the other occupational groups are lower, salaried men in cities accounting for only 3.87. So an increase in the number of children for those groups, especially for the urban salaried class, should be encouraged.

From the point of view of fertility city life is undesirable. Both salaried men and wage-earners in cities are below those in rural districts in birth-rate. If this trend continues, the concentration of population in cities will require special attention. But quite the reverse is the case with the small and middle-class traders and manufacturers, of whom those in rural districts are inferior to those in cities so far as fertility is concerned.

Birth-rate according to Classes

Let us next observe the average number of offspring for married couples past conceptive activity according to their financial positions. The table below gives the number of children for each married couple among salaried men and wage-earners as classified according to the amount of income:

Amount of income	No. of married couples surveyed	No. of children	Average no. of children per couple
Less than ¥50	588	2,517	4.28
" " ¥100	1,408	5,691	4.04
" " ¥150	896	3,817	4.26
" " ¥200	237	965	4.06
" " ¥300	216	876	4.06
¥300 and over	353	1,480	4.19

As shown in the table, couples of the lowest class, i.e. those with

incomes of less than 50 yen, head the list, averaging 4.28 children, followed by those drawing income between 100 and 150 yen with 4.26 children. Figures for families receiving less than 300 yen are generally low, while those obtaining more than 300 yen claim more offspring. In short the birth-rate for salaried men and wage-earners is highest at both extremes. It seems that among the intermediate classes there is a tendency to avoid increase of family.

As regards farmers the results are quite different. The number of children for each family classified according to the area under cultivation is as follows:

Areas under cultivation	No. of couples surveyed	No. of children	Average no. of children per couple
Less than 0.5 <i>cho</i> ¹	2,289	9,897	4.32
" " 1 <i>cho</i>	4,325	21,280	4.92
" " 2 <i>cho</i>	3,036	16,594	5.47
" " 3 <i>cho</i>	375	2,222	5.96
3 <i>cho</i> and over	118	729	6.18

As the table indicates the birth-rate for the agrarian class is in proportion to the area cultivated by each family—the greater the acreage, the larger the number of children.

Likewise, in the case of small and middle-class tradesmen and manufacturers, the average number of offspring is proportionate to the amount of business profit tax paid by them.

Amount of tax paid	No. of couples surveyed	No. of children	Average no. of children per couple
Exempt	488	1,897	3.88
Less than ¥25	326	1,300	3.99
" " ¥50	225	951	4.23
¥50 and over	703	2,983	4.24

To summarize, the number of offspring among small and middle-class tradesmen and manufacturers gradually increases as their financial position improves, while the salaried class and wage-earners in intermediate financial positions average a comparatively small number of children.

Educational Standards

The following table shows the number of children per married couple classified according to the husband's educational standard and to the duration of marriage.

¹ One *cho* is equal to 2.45 acres

Duration of marriage	No. of children per couple			
	Husband's education	Primary education	Secondary education	College or university education
Less than 1 year		0.2	0.2	0.2
1 year		0.6	0.5	0.5
2 years		0.8	0.9	0.9
3 "		1.2	1.2	1.2
4 "		1.4	1.5	1.5
5 "		1.8	1.8	1.7
6 "		2.0	2.0	2.0
7 "		2.4	2.2	2.2
8 "		2.6	2.6	2.3
9 "		2.8	2.6	2.5
10 "		3.1	2.9	2.6
11—15 years		3.7	3.3	3.0
16—20 "		4.7	4.0	3.7
21—30 "		5.3	4.7	4.0
31—40 "		5.4	5.3	4.5
41 years and over		5.2	4.8	5.0

It may be seen from the above table that the number of children increases as married life is prolonged, regardless of the husband's educational standard. But the rate of increase differs with the educational standards. Within six years of marriage it is nearly the same irrespective of educational standards, while in longer periods it is highest among those who received primary education and lowest among those with college or university education. In the first few years of marriage, couples with higher education may not differ much from those of lower educational standards in their procreative capacity; but, as their average age at marriage is generally higher than the latter, they may naturally have fewer children in the longer duration of married life. However, the fact that the average number of children for those who received college or university education does not easily increase above 2 may not be a matter of fertility alone; that they are chary of family increase must be taken account of. The figures according to the wives' educational standards show the same trend as those according to the husbands'.

Childless Couples

The average number of children for couples with wives past 44 years (the age when conceptive activity ceases) is 4.64, while the percentages of married couples for the numbers of children are as

follows :

No. of children	Percentage of couples	No. of children	Percentage of couples
0	14.55	10	3.73
1	6.76	11	1.30
2	7.05	12	0.53
3	8.55	13	0.14
4	10.12	14	0.05
5	11.11	15	0.01
6	11.61	16	—
7	10.28	17	0.01
8	8.35	Total	100.00
9	5.85		

Of the total number of married couples 6.76 per cent have only one child, and 7.05, 8.55 and 10.12 per cent claim respectively 2, 3 and 4 children. Those with less than 5 children, i.e. below the average number of offspring, account for 47.03 per cent of the total. Nearly half the total number of couples have more than the average number of children. Thus 41.135 per cent bore from 5 to 8 children, while only 11.62 per cent are blessed with over 9. There are a comparatively large number of sterile or barren couples, amounting to 14.55 per cent. But even in couples past conceptive activity, their age at marriage, especially that of the wife, and the duration of marriage must have had an important bearing on sterility. If these circumstances are taken into consideration in calculating the rate of sterility, the result may be more or less different.

Sterility in Urban and Rural Districts

The percentages of sterility according to occupations and areas are as follows :

Occupations	Percentage of sterility
Salaried class	
in urban districts	10.53
in rural districts	16.64
Wage-earners	
in urban districts	16.47
in rural districts	19.50
Small and middle-class tradesmen and manufacturers	
in urban districts	15.89
in rural districts	22.07
Farmers	13.16

As indicated above, the percentage for the salaried class in cities, representing 10.53, is the lowest, with the figure for agricultural families, 13.16, following closely. The urban salaried class average the smallest number of children, but as their percentage of sterility is low, it may be said that there are comparatively few childless couples among them. The birth-rate is generally high and the rate of sterility is remarkably low among farmers. But sterility is highest among the small and middle-class tradesmen and manufacturers in the rural districts, followed by wage-earners in the same areas with 19.50 per cent, which is nearly twice the ratio for the salaried class in cities. What is notable in this connection is that except for farming families the rate of sterility in the occupational groups is higher in rural communities than in cities. Why the rate is higher in rural districts than in cities, and why it is lower among farmers than among families in rural areas following other occupations, are questions yet to be studied.

Average Interval between Marriage and First Childbirth

Lastly the Institute made investigations as to how long it takes on the average from marriage to the birth of the first child, and from the first to the second childbirth. It must be noted that in calculating the duration of marriage the actual, instead of the registered, date of marriage was taken as the basis. Also it generally requires at least 10 months from marriage to the birth of a first child, and from the birth of a first child to that of a second. But taking premature births into account, the minimum interval was estimated at 8 months. If a birth took place within one year, then the interval was fixed at 10 months, and births occurring between one and two years after marriage were regarded as having taken place 18 months thereafter.

The following table shows the intervals required between marriage and the first childbirth and between successive births thereafter among married couples who have passed the period of conceptive activity.

Average interval between	Months
marriage and 1st childbirth	29.21
Average interval between	
1st and 2nd children	36.93
2nd and 3rd " 	37.25

3rd and 4th	„	36.98
4th and 5th	„	36.51
5th and 6th	„	36.18
6th and 7th	„	35.20
7th and 8th	„	34.36
8th and 9th	„	34.31
9th and 10th	„	33.16

The average interval between marriage and the first childbirth is 29.21 months, or about 2 years and 5 months. It may seem rather too long, but in reality, although there are many couples who have children within one year of marriage, it is not uncommon for children not to be born until several years after marriage. The average periods between the 1st and 2nd children and the 2nd and 3rd are longer, being respectively 36.93 and 37.25 months. But after the 3rd child the intervals between births become slightly shorter, falling below 3 years after the 6th. So among prolific couples the period between births tends to be shorter, though it never comes within the average interval between marriage and first childbirth, i.e. 29.21 months.

The following table gives the percentages of married couples as classified according to the intervals between marriage and first childbirth and between 1st and 2nd children:

Intervals	Average intervals	Percentage of couples for 1st child	Percentage of couples of 2nd child
Less than 1 year	10 months	17.26	2.1
1 year and over	18 „	46.55	25.57
2 years „ „	30 „	16.62	36.61
3 „ „ „	42 „	6.89	16.76
4 „ „ „	54 „	3.87	8.35
5 „ „ „	66 „	2.64	3.95
6 „ „ „	78 „	1.34	2.31
7 „ „ „	90 „	1.29	1.45
8 „ „ „	102 „	0.78	0.89
9 „ „ „	114 „	0.66	0.46
10 „ „ „	126 „	0.57	0.33
11—15 years	162 „	1.06	0.90
16—20 „	186 „	0.31	0.21
21—30 „	246 „	0.15	0.03
31—40 „	306 „	0.01	—
Total		100.00	100.00

The table reveals that the couples who gave birth to the first child within two years of marriage, or at an average interval of 18

months, are largest in number, amounting to 46.55 per cent of the total number of couples surveyed. This means that while the average period from marriage to the birth of the first child is 29.21 months for the total number of married couples, more than 46 per cent of them have their first children 18 months after marriage. Following this 17.26 per cent gave birth 10 months after marriage. So there are more than 63 per cent of married couples who give birth to their first children within one and a half years of marriage. As regards the period between 1st and 2nd children, more than 36 per cent of the couples require 30 months, followed by 25 per cent who take 18 months.

JOINT DEFENCE OF FRENCH INDO-CHINA

BOARD OF INFORMATION

CONSEQUENT upon the negotiations which had been going on for some time between Mr. Sotomatsu Kato, the Japanese Ambassador to France, and the French Government at Vichy, a complete agreement of views was reached for the joint defence of French Indo-China on July 21. And on the basis of this agreement a Protocol was prepared and signed on July 29 between the representatives of the two Governments concerned, namely, Ambassador Sotomatsu Kato for the Japanese Government and Vice-Premier Admiral Jean-François Darlan for the French Government.

Through the new Japanese-French Protocol¹, the two Governments, have recognised, among other points, the fact that "there exist reasons for Japan to consider that, in case the security of French Indo-China should be threatened, general tranquillity in East Asia and her own security would be exposed to danger." Furthermore they have made it clear that "the two Governments mutually promise military cooperation for joint defence of French Indo-China" and that "measures to be taken for such cooperation shall be the object of special arrangements," designating, at the same time, that the "above stipulations shall be valid only so long as the situation which has motivated their adoption exists."

Prior to the conclusion of this Protocol, France was quick in taking stock of the close relations between Japan and French Indo-China and their importance, and through the notes exchanged in Tokyo in August of last year, between Mr. Yosuke Matsuoka, the then Japanese Foreign Minister, and M. Charles Arsène-Henry, the French Ambassador to Japan, recognized Japan's special position in French Indo-China. Subsequently, in May this year, France saw fit to conclude an economic agreement and a protocol concerning political understanding with Japan, thereby further binding herself in friendly cooperation with Japan politically and economically.

¹ Full text is given elsewhere in this issue.



GLIMPSES OF FRENCH INDO-CHINA

A breezy spot on the shore of Petite Lac in Hanoi.

However, the internal and external situation of French Indo-China has since become such that, if left alone, it would jeopardise even the safety of French Indo-China itself. If unfavourable developments should happen to aggravate the situation to such an extent as to throw that French colony into confusion, France as well as Japan could hardly afford to refrain from acting in self-defence. Under such circumstances, Japan and France have come to fully realize the fact that they have most intimate common interests at stake in French Indo-China.

Encirclement of Japan in the Making

Among other factors seriously affecting the safety of French Indo-China are, firstly, the move to encircle Japan by Great Britain, the United States, the Netherlands, Australia and the Chiang Kai-shek régime; and secondly, the machinations of the de Gaullists in French Indo-China.

This move has not been altogether unexpected, for there have been gradual indications of such a possibility noticeable since January this year. For some time past in the United States, Secretary of State Cordell Hull, British Ambassador Viscount Halifax and Australian Minister Richard Gardiner Casey have been holding frequent conferences reportedly for the purpose of bringing about a closer British, American and Australian cooperation in the South Pacific. Meanwhile in February this year, the United States appointed a military attaché to the United States Legation in Australia, sending, at the same time, a naval adviser to the port of Darwin, which is a naval and air base on the northern coast of Australia. These steps were followed in March by the sending of a squadron each to New Zealand and Australia, apparently as a demonstration of the United States' readiness to extend assistance in case of emergency. Furthermore, M. E. N. van Kleffens, the Foreign Minister of the Netherlands Government in London, calling at Washington, D. C., in March this year, on his way to the Netherlands East Indies, conferred with President Roosevelt and later visited Manila, holding conferences with Mr. Francis B. Sayre, the United States High Commissioner for the Philippine Islands, Air Chief Marshal Sir Robert Brooke-Popham, commander-in-chief of the British forces in the Far East, and several other British and



Upper, rice-fields in a rural district of French Indo-China, and lower, a wayside market place in Hanoi.

American officials concerned reportedly on measures to be taken vis-à-vis Japan jointly by Great Britain, the United States and the Netherlands. This common front of Britain, the United States and the Netherlands is naturally expected to incorporate the Chiang Kai-shek régime, as indicated by the visits of the Chinese military mission to Singapore and of the British and American experts to Chungking. The recommendation by the American Government of Mr. Owen Latimore, a foremost American student of Far Eastern affairs, widely known also for his anti-Japanese leanings, to a high advisory post in the Chungking Government, may have an important bearing upon the consolidation of an anti-Japanese common front by these Powers. Nor can the report of growing American aid to Chungking in the reconstruction of its air force be made light of, in view of our basic national policy for the speedy settlement of the China Affair.

The British and American manoeuvrings against Japan were not confined to what have been described above. They have also brought an increasing pressure upon Thailand. The British and American influences, and the former in particular, are deep-rooted in Thailand. Recently the British have been busy reinforcing their garrisons in Burma and British Malaya especially strongly near their Thai borders. They have tried to entice her with alluring offers of supplying her much needed oil and of assistance in other forms, unmistakably in an attempt to alienate Thailand from Japan and win her over to the Anglo-American camp. An instance of such efforts was the invitation of a military mission from Thailand to Singapore, where the Thai officers were made eye-witnesses to the prowess of the British Far Eastern forces.

Moreover, the anti-Japanese encirclement policy in Southern Asia has come to make its influence keenly felt in French Indo-China as a result of the machinations on the part of the de Gaulle régime in this part of the world. The de Gaullists have cooperated with the British and American interests in French Indo-China in such a way as to undermine the cause of France and to obstruct Japan's policy, these manoeuvrings obviously running counter to the sovereignty of France and also to the provisions of the Matsuoka-Arsène-Henry Agreement of August, 1940.

In fact, the situation in French Indo-China came to such a pass that, if left alone, it would seriously impede and jeopardise the

proposed establishment of the co-prosperity sphere of East Asia. It was feared, even, that it might cause in French Indo-China such a crisis as the one which recently befell Syria in the Near East. Japan and France, therefore, realizing their close relationships and common interests in French Indo-China, have decided to arrange for the aforesaid joint defence of the French colony.

Freezing of Japanese Assets

The Japanese-French arrangement for joint defence of French Indo-China have had its repercussions in the United States and Great Britain. The United States Government issued on the evening of July 25, a day previous to the publication of the statement by the Japanese Government regarding the agreement between Japan and France, an Executive Order for freezing Japanese and Chinese assets in the United States. This action was followed by Great Britain on the following day, July 26, when it was announced that Japanese assets in Great Britain were to be frozen in like manner, the Japanese Government receiving, at the same time, the notices abrogating the Anglo-Japanese, Japanese-Indian and Japanese-Burmese treaties of commerce and navigation. Simultaneously, on the evening of July 25, Canada acted with the United States, taking steps to freeze Japanese assets in that country. The Philippines followed suit the next day and froze Japanese assets in the islands. On July 27, the Netherlands East Indies acted after the manner of the United States and Great Britain with respect to its Japanese assets, while the Yokohama Specie Bank was notified on the same day of the abrogation of the financial agreement concluded between it and the Bank of Java some time previously.

When issuing the Executive Order freezing the Japanese assets in the United States, the President published a statement clarifying the American position in this matter to the following effect:

1. The Order in question is so designed as to have the effect of placing under the control of the United States Government all financial and commercial transactions in which the Japanese are interested.
2. The object of this Order is to prevent the use of American financial facilities and Japanese-American trade in any way inimical to the defence and interests of the United States, and also the use in

financial settlements in the United States of funds acquired by force or conquest.

3. The license system is to be applied to Chinese funds in such a way as to consolidate the position of the Chinese Government (meaning the Chungking Government) in foreign exchange, the Order in question representing the continuation of the United States' assistance to the Chiang Kai-shek régime.

As may be seen from the foregoing, Great Britain, the United States and other nations unsympathetic toward Japan are working in unison to bring pressure upon Japan, apparently in protest against the recent conclusion of the Japanese-French agreement for the joint defence of French Indo-China. For all this, the Japanese have not felt in the least constrained in their action, which is essentially peaceful in nature, the Japanese military and naval forces in French Indo-China having been reinforced on July 29, and welcomed by the Government and people there. Thus, Japan has resolutely taken steps to defend French Indo-China in cooperation with the Governments of France and her colony.

REINFORCING JAPANESE FORCES IN INDO-CHINA

BOARD OF INFORMATION

SINCE the arrival of a Japanese army force in French Indo-China on September 23 of last year, the object of cutting off the Chiang Kai-shek régime from supply routes across the Indo-China-Yunnan border has been completely achieved. On the other hand, the strict discipline and high morale of the Japanese troops have impressed the local populace favourably, with the result that the Japanese-French Indo-China relations have continued to improve rapidly as is borne out by the conclusion, sometime ago, of an economic agreement between Japan and French Indo-China, by which the latter has definitely come to share the responsibility for the co-prosperity sphere of East Asia. The international situation, however, has recently undergone radical changes in such a way as to aggravate the situation in which French Indo-China is placed. The French colony has come to find itself in an embarrassing position as was Syria in the current European War. In view of this situation, additional Japanese forces have been dispatched to this part of the Asiatic continent in accordance with the provisions of the Protocol for Joint Defence of French Indo-China, concluded between Japan and France on July 29, which stipulates that "the two Governments mutually promise military cooperation for joint defence of French Indo-China." In this connection, the recent situation of French Indo-China, both internal and external, is surveyed below primarily from a military point of view.

The political situation in French Indo-China has for some time remained complicated and chaotic with Governor-General Vice-Admiral Jean Decoux and the leading officials of the Hanoi Government favouring cooperation with Japan under instructions from the Vichy Government; while in Southern French Indo-China, a group of de Gaullists has apparently been endeavouring to defend its ground in league with certain financiers and Chinese residents, with the support of third Powers.

According to information now available, General Catroux, former Governor-General of French Indo-China, was appointed represent-

ative of the de Gaulle régime for the Near East and the Orient in general in January, 1941, and has since been manoeuvring to disturb and obstruct the constructive policy now being followed by the authorities of French Indo-China under Governor-General Vice-Admiral Decoux. The activities of General Catroux rapidly extend from his headquarters at Cairo to India, the Netherlands East Indies, French Indo-China and the Oceanic islands. During the recent negotiations between Thailand and French Indo-China concerning the border dispute and also during the Japanese-French Indo-China economic negotiations, the de Gaullists' machinations are known to have stood considerably in the way of the progress of the said parleys.

Further, attempts have been made by the Chungking régime of China in cooperation with a third Power to disturb peace and order in French Indo-China to such an extent that, if left alone, the safety of the French colony would have been seriously menaced and the maintenance of peace and order made extremely difficult.

Since the arrival of the Japanese troops in French Indo-China, the Chungking régime has made desperate efforts to counteract the influence from this direction. For instance, its 5th Army, which had been stationed in the vicinity of Kweiyang, started operations in the early part of July and was recently reported to be moving toward French Indo-China by way of Kunming in Yunnan Province, apparently in anticipation of advancing into the French territory as soon as an opportunity offers itself.

Meanwhile, political agitators affiliated with the Chungking faction of the Kuomintang have infiltrated into various parts of the French colony with the view of fanning anti-Japanese feelings among the Chinese population there, which total approximately 320,000. These agitators were enabled to carry on an increasingly widespread anti-Japanese movement in the southern districts of French Indo-China with the aid of the de Gaullist agents, although they found little room for their activities in the northern part of the colony garrisoned by Japanese troops. On July 7, the fourth anniversary of the outbreak of the China Affair, the entire Chinese community numbering some 60,000 of Cholon, four kilometres west of Saigon, observed a holiday and participated in an anti-Japanese programme including a popular meeting held in commemoration of the said anniversary.

Further, according to later information, there are indications of a significantly closer relationship being effected between Great Britain and the Chiang Kai-shek régime, while the charges of some form of cooperation between Great Britain, the United States, China and the Netherlands, which form what is known as a democratic front are being substantiated. Thus, French Indo-China, which as a member of the East Asia co-prosperity bloc, has vital economic relations with Japan, has now come to sense a direct danger from the Chungking régime, British Malaya, Burma and the Dutch East Indies, which now constitute a ring of hostile nations around the French colony, jeopardizing its self-preservation and defence.

In view of this situation, the recent reinforcement of the Japanese garrison in French Indo-China was no more than an action calculated to remove the menace mentioned above and strengthen the defence of French Indo-China so as to forestall any possible disquieting situation. In accordance with the agreement for joint defence between Japan and France, therefore, the Japanese forces began landing in the vicinity of Saigon in perfect order on July 29, and the newly-arrived troops are now braving the tropical heat and the malaria plague in mounting guard for the safety of this part of French colony.

CULTURAL RELATIONS BETWEEN JAPAN AND CHINA

1862-1941

THIRD DIVISION, BOARD OF INFORMATION

II

IN 1910 a group of Chinese students in the United States started publication of an annual journal entitled *Liu Mei Hsiieh Sheng Nien Pao*, or the Annual Journal of Students in America. The inaugural issue contained an article by a certain Chu Ting-chi on *Students Studying in America*, which starts off: "Our compatriots often talk about studying in Japan, but they have little or no knowledge concerning Chinese students in the United States."

In the conclusion of the same article, he writes:

While China remains in the state of confusion she is in today, some Chinese have been awakened to realities while others have not, some taking to the new and others holding on to the old. Among the Chinese students in Japan some are publishing books and magazines reviling the domestic politics of their home country, while others prefer to carry on discussion by cable. Consequently many of the people of China have been aroused to the realities of the world. The intelligent are enlightened by dint of their own intelligence, while the obstinate are made to see the actual situation only when they are reviled. The slow are driven forward and the retarding are whipped up so as to follow in their steps. In this age of confusion, Chinese students in Japan have influenced their home people to a remarkable extent.

The magazines edited by Chinese students in the United States during those days invariably professed to "afford opportunities for students to practise writing in Chinese," whereas those published in Japan were full-fledged organs of public opinion among the Chinese, their editing often surpassing that of magazines published in China, and went far in shaping public opinion in their home country. No less than ten Chinese magazines were inaugurated in 1903, five of them being edited and published in Tokyo by Chinese students, followed by 14 more in 1906, six of which were published in Tokyo,

the number increasing to 26 in 1907, including 15 published in Tokyo.

Besides the editing of magazines, many of the Chinese students in Japan undertook the translation of Japanese books into their own language. Among the most important were the *Hsin I Ji Peng Fa Kuei Ta Chüan*, or the Newly-translated Complete Collection of Japanese Laws and Regulations, published in 81 volumes, the *P'u Tung K'o Shih K'o Chiang I*, or the Lectures on Primary Education, in 14 volumes, the *Fa Cheng Chiang I*, or the Lecture on Law and Political Science, published by the Chun I Shu Chü¹ in 15 volumes, the *Fa Cheng Chiang I*, published by the Ping Wu Shé² in 29 volumes, the *Fa Cheng Tsung Pien*, or the Collection of Books on Law and Political Science, in 24 volumes, the *Fa Cheng Sui Pien*, or the Selected Collection of Books on Law and Political Science, in 20 odd volumes, the *Fa Cheng Lei Tien*, or An Anthology of Law and Political Science, in 4 large volumes, the *P'u Tung Pai K'o Chüan Shu*, or the Ordinary Encyclopedia, in 100 volumes, the *Ning Hsieh Tsung Shu*, or the Collection of Books on Agriculture, in some 100 volumes, etc. In addition to these there were published innumerable translations of individual Japanese books not included in collections or anthologies.

The activities of the Chinese students in Japan were not confined to the writing of books and magazine articles aimed at introducing a new civilization into China. Working together with Japanese and Chinese leaders, they were hard bent on planning for the revolution of China, to the success of which the assistance of students contributed in large measure. In his *Informal History of the Chinese Revolution* or the *Shina Kakumei Gaishi* as it is entitled in Japanese, Kazuteru Kita, a Japanese leader who took an active part in the Chinese Revolution, says:

I was an eye-witness to the fact that those who were in the habit of visiting the secret headquarters of the Chinese revolutionists were nearly all Chinese students on leave from their schools in Japan. In fact, all those who assembled before attacking the Kiangnan Arsenal in Shanghai were in their Japanese school uniforms. Learning of the uprising at Wuchang and Hankow, these students had hurriedly left their boarding houses in Kanda, Tokyo, or the dormitory of the Military Academy of Japan to hasten back to China, and their attack on

1. A publishing house.

2. Ditto.

the arsenal took place just before they proceeded on their way to their respective native provinces. This is why the school uniforms of young Chinese studying in Japan were known in China as revolutionary uniforms.

Influence of Japanese Sciences and Literature on China

Thus, China achieved a revolution. But, what was achieved was hardly worth the bloodshed it had involved, since the results of the revolution were practically brought to nought by Yüan Shih-kai, who became the first President of the Chinese Republic. There then ensued the second and third revolutionary attempts, and when these efforts again ended in failure, the leaders of the Tung Ming Hui (the predecessor of the Kuomintang) took refuge in Japan. Closely following on the heels of these political refugees, numbers of Chinese students began to return to Japan to study, and they soon totalled between five and six thousand, thereby marking another memorable epoch in the history of Chinese students in Japan.

The majority of the students, however, subsequently returned to China feeling greatly indignant over what were known as Japan's Twenty-one Demands. Furthermore, the business boom prevailing in Japan during the European War of 1914-18, which occasioned a rapid rise in prices, made living in Japan financially more difficult than before and, for this reason, increasingly large numbers of Chinese students felt the attraction of America or France instead of Japan.

It was not long before Japan again became a popular study centre and soon between two and three thousand Chinese students, or about one half of the total number of Chinese studying abroad, had resumed their studies in Japan. After the Manchurian Incident, the number showed a notable increase, contrary to the general expectation, until it exceeded six thousand, thus reaching a peak figure for the third time. Partly responsible for this was no doubt their desire to gain a better knowledge of Japan, but another and perhaps more practical reason was that at that time they found it less expensive to study in Japan than in Shanghai.

The Chinese students who came over to Japan after the founding of the Chinese Republic differed from their predecessors during the Ch'ing dynasty period in that the latter had desired a secondary education in the shortest possible space of time, while this time the

students invariably sought college education. The result was that the students studying in this country in later years came to possess a more profound learning with a better understanding of Japanese sciences and literature.

Many of the Chinese students who had failed in attempting to cut prominent figures in the revolutionary movement in China took to cultural activities. For this reason the *Hsin Ch'ing Nien*, or "La Jeunesse" as it was called in French, which was published under the editorship of Ch'ên Tê-hsiu, did much to influence the younger generation of China. Many of the Chinese students in Japan in those days took up philosophy and literature for study instead of political science, law or education, the subjects which had been popular with the students of the Ch'ing dynasty period. In philosophical studies, the Chinese students delved into Japan's patriotism and scientific conceptions. Communistic ideas then popular among a section of the Japanese younger generation also came to be a subject of study for some.

Any philosophical writing published in Japan was bound to have an immediate influence upon the thinkers in China. For instance, when the merits and demerits of the university system were prominently discussed in certain Japanese magazines, the same topic was immediately taken up by the periodicals of China. The death of Ryunosuke Akutagawa, a popular novelist who committed suicide several years ago, made a profound impression upon the Chinese younger generation, and a young Chinese poetess deplored that she could hardly dare to take her own life as the Japanese novelist had done. So great was the influence of Japanese literature on the reading public of China that the various sciences introduced into China from Japan seemed insignificant in comparison.

In spite of their willingness to absorb Japanese culture, the Chinese were as often as not apt to under-estimate it, no doubt, because of their traditional conception of their country as the "Middle Kingdom" of the world. In their words, Japanese culture owed much of what it was to ancient Chinese culture, while modern Japanese culture is mainly of western origin. Indeed, in the opinion of the average Chinese, but for Chinese and western culture, Japanese culture would be as good as non-existent, although the fallacy of such reasoning is obvious to all careful observers. But in spite of all such prejudice, the Chinese are quite ready to appreciate fully

the originality and superiority of the literature of Japan.

China's "Literary Revolution" was first advocated by Hu Shih, then studying in the United States, but most of the writers who assisted in accomplishing it were Chinese studying in Japan or "returned students" from Japan, the most notable of them being Ch'ên Tê-hsiu, who, having studied in Japan, took an active part in the movement during its earlier stages with even a greater vigour than Hu Shih himself. In fact, the members of the *Chuang Tsao Shé* who rallied round the banners of the Literary Revolution, such as Lu Hsün, Chou Tso-jên (brother of Lu Hsün) Kuo Mo-jo, Chang Tzu-ping, Yü Ta-fu and Tien Han, had all received Japanese education.

It was natural that these writers should all seek their literary models and inspirations in Japan. It was not without reason that Tien Han looked up to the late Kaoru Osanai, a Japanese novelist and playwright of note, as his literary master, and that Chang Tzu-ping is known as the Kan Kikuchi of China, Kikuchi being by far the best known novelist in present-day Japan. The *Kuang Jên Ji Chi*, or A Madman's Diary, by dint of which the late Lu Hsün won fame as a rare genius in modern Chinese literature, is reminiscent of Doppo Kunikida, a naturalistic novelist who died a few decades ago, while the first Japanese novel he translated into Chinese was *Aru Seinen no Yume*, or the Dream of a Certain Young Man, by Saneatsu Mushakoji. Lu Hsün also translated several Japanese books of literary criticism into Chinese, most notably the *Zoge no Tobu no Idete*, or Leaving the Ivory Tower, by the late Dr. Hakuson Kuriyagawa. Probably for this reason, the names of Mushakoji and Kuriyagawa are well known among the young Chinese, 12 books of the former and 14 of the latter being available in Chinese. Kuriyagawa's literary criticisms were so often quoted that his views were always taken as the final word in the reviewing of literary works in China.

The importation of Japanese literature into China was not confined to modern works. When Chou Tso-jên translated 10 comic plays of the classic Noh into Chinese, many writers in China were profoundly interested and produced a number of plays in imitation of the Noh farces. Perhaps more profound was the influence given to Chinese literature by the *haiku* or 17-syllable verse of Japan. Impressed by the poetic effect of these short verses, some of the

Chinese students of Japanese literature took to translating the *haiku* into Chinese, publishing at the same time the findings of their critical studies of them, and before long there appeared short unrhymed verses called *Hsiao Shih* after the manner of the *haiku*. Another side issue of the introduction of Japanese literature was that some of the Chinese went in for what is known in Japan as *Johshi Bungaku*, which is primarily concerned with double "love suicides," not a few even going so far as to carry out in practice the suicides they had read of in the *Johshi Bungaku*, an evidence of the profound influence that Japanese literature had wrought on the people of China.

China's absorption of Japanese sciences and literature also brought about the adoption of a large number of words of Japanese origin, as can be seen in Chinese dictionaries of "new technical terms" or "modern words," where almost all the scientific terms are those imported from Japan. The result is that the written languages of Japan and China contain a considerable number of words common to both, although differing greatly in grammar. Thus, it has become easier for the Japanese to read Chinese and for the Chinese to read Japanese, a trend undoubtedly making for the promotion of a cultural sphere of co-prosperity in East Asia.

Cultural Relations During the Current Affair

Despite Japan's policy of non-aggravation, the current China Affair has assumed increasingly serious proportions. This is due to provocative actions by the Chiang Kai-shek régime which have forced Japan to carry on military campaigns over an area in size unprecedented in the war history of the world, and that with remarkable success. Meanwhile, a new National Government has been organized with Mr. Wang Ching-wei as President, and thus the way is now being paved for cultural cooperation between Japan and China, while peace and order are being rapidly restored in the areas under Japanese occupation.

In the occupied areas, the pacification corps' activities are always followed up and backed up by educational workers who devote their efforts to the teaching of the Japanese language and other branches of elementary knowledge to Chinese children. Countless Japanese language schools have recently been opened in all parts of

the occupied areas in China, and Japanese is now being studied more widely than at the beginning of this century when a large number of Japanese teachers were engaged in teaching their language at the *Tung Wen K'o*, or the Japanese language departments, of many primary and secondary schools in China. A number of students who have done especially well in the Japanese language schools have recently been sent to Japan to continue their studies, while those who come to study in Japan of their own accord with a view to gaining a real understanding of Japanese culture have also tended to increase. At present, there are some 2,000 Chinese in Japan for study purposes.

In the meanwhile, modern Chinese culture has recently come to be studied in Japan with great enthusiasm, whereas in former days the Japanese students of China were interested almost exclusively in ancient Chinese culture. Japanese translations of modern Chinese books, which formerly used to appear only at the rate of a book or two a year, in the last few years have been published in large numbers, probably not less than several dozen a year.

The Japanese public have consequently acquired a better understanding of China, while the Chinese have greatly improved in their conceptions of Japan, and the new order of East Asia bids fair to flower on the soil of an intimate cultural relationship now rapidly developing between the two countries.

ERRATUM

In the August issue (Vol. V No. 2), page 58, line 16, read "director of the Peiyang Arsenal at Tientsin" for "manager of the Peiyang Machinery Company."

COUNTER MEASURES AGAINST THE FREEZING OF JAPANESE ASSETS

DEPARTMENT OF FINANCE

UPON receiving the report of the American Government freezing Japanese assets¹ held in the United States, which was effected by the Executive Order on July 25, the Japanese Government immediately decided to take retaliatory measures. The Foreigners Transactions Control Regulations were accordingly enacted on the basis of the Foreign Exchange Law² recently revised and promulgated on July 28 as Ordinance No. 46 of the Department of Finance, whereby all assets and transactions of Americans in this country will be controlled.

Thus, all economic transactions conducted by American interests are placed under restriction and made subject to the permission of the Minister of Finance. In this connection, a word of explanation may be necessary respecting the term "Americans" or "American interests" used in this article. Although no mention is made of "American" or "any other nationals" except "a national of a designated country" in the text of the regulations, the above-mentioned terms are widely used herein for convenience, signifying nationals of the United States, juristic persons whose head offices are in the United States, juristic persons established under the laws of the United States, Japanese or any other juristic persons which are managed by nationals or juristic persons of the United States, Japanese or any other nationals resident in the United States, or branch offices of Japanese or any other juristic persons in the United States.

Essential Points of the New Regulations

When an American in Japan acquires or disposes of any property listed below the permission of the Minister of Finance must be

¹ For reference see the closing paragraphs of an article entitled "Joint Defence of French Indo-China" printed elsewhere in this issue.

² See for reference an article entitled "Tightening Exchange Control" in the August, 1941, issue of TOKYO GAZETTE.

obtained (Article 9):

1. Immovables or perpetual leases.
2. Movables valued at 100 yen or more.
3. Superficies, easements or the right of repurchasing immovables.
4. Pledges or mortgages.
5. Mining, placer mining, fishing or lumbering concessions.
6. Ownership of industrial property, copyrights or rights corresponding thereto.
7. Enterprises, business or investment therein.
8. Securities, other than domestic money orders, valued at 20 yen or more.
9. Domestic money orders.
10. Foreign currencies.

Any act of an American creditor or debtor specified below may not be performed in Japan unless with the permission of the Minister of Finance (Article 10):

1. Disposal of the right to a debt in terms of a foreign or Japanese currency, including set-off.
2. Assignment of the right to a debt in terms of Japanese currency.
3. Undertaking of a debt.
4. Guaranteeing of a debt.

Placing or receiving assets in trust by an American should be performed with the permission of the Minister of Finance as specified below (Article 11):

1. To place or to receive in trust immovables, Japanese currency, foreign currency, movables valued at 100 yen or more or securities valued at 20 yen or more.
2. To receive back any of the foregoing assets placed in trust, or to give back any of the foregoing assets received in trust.

An American may not let, lease, sublet or sublease immovables, movables valued at 100 yen or more or securities valued at 20 yen or more; or acquire or dispose of the right to lend or borrow any of the said assets in this country unless with the permission of the Minister of Finance (Article 12).

Any of the acts of an American, in connection with the transactions through banking organs, specified below shall be performed with the permission of the Minister of Finance (Article 13):

1. Advancing or collecting a loan.

2. Contracting or redeeming a loan.
3. Placing or drawing out a deposit.
4. Receiving or paying out a deposit.

The acquisition or disposal of Japanese currency by an American is controlled by the provisions of Article 14 as follows:

An American in Japan may not acquire or dispose of Japanese currency amounting to 500 yen (500 yen for each household in the case of a person other than a corporation) or more in the course of one month unless with the permission of the Minister of Finance, except where permission has already been obtained in regard to acts likely to affect such acquisition or disposal under Articles 9-13 or under the provisions of the Foreign Exchange Control Law Enforcement Regulations. A check drawn within Japan on a bank in Japan and payable in Japan, insofar as it is used as a means of payment in Japan, shall be considered as Japanese currency.

The control regulations on the transactions mentioned in the foregoing are applied not only to Americans (in the broader sense of the term as explained above) but also to Japanese when they perform these acts with Americans or as their agents. Any Japanese individual or corporation may come under the control regulations in any transaction with an American.

The Foreign Exchange Control Law Enforcement Regulations contain many mitigating clauses in order to modify the application of the original law, but they shall not govern the case of Americans, or nationals of designated countries, thus discriminating them from other nationals.

With regard to designation by the Minister of Finance as those foreigners coming within the purview of the present Regulations, the nationals and juristic persons of the United States of America and her territories, the Philippines, England, Canada, Hongkong, the Netherlands, the Netherlands East Indies, Burma, Australia, British Malaya and British India had been listed as of August 2. Those of the Union of South Africa and other members of the British Commonwealth of Nations may sooner or later become included in the list.

Elasticity under the General Permit System

In the operation of the Regulations covering so wide a range of transactions it is expected that various difficulties will be encountered.

The Government, therefore, will give much elasticity in the actual application by means of the general permit system, similar to the American general license system, by which certain economic activities in the designated cases may be performed without obtaining the Ministerial permission.

In principle, the Government is empowered to strictly apply the provisions of the Regulations to any transaction of the designated foreigners so as to prohibit entirely their economic activities in the country. The sole intention of the Japanese Government, however, is to take counter-measures against the unfriendly action by the countries which took the initiative in freezing Japanese assets, and the actual application of the Regulations to the Americans, for example, will be made as flexible as possible, corresponding to the manner of applying the American order, by means of the general permit system or others, thereby minimizing the effects on the economic relations between Japan and America.

Since the application of the Control Regulations covers a wide sphere of international and national economy, requiring the coordinated working of various government agencies for a smooth operation of the provisions of the Ordinance, a liaison committee composed of the representatives of the Board of Planning, the China Affairs Board, the Manchurian Affairs Board, the Departments of Foreign Affairs, War, the Navy, Commerce and Industry, Agriculture and Forestry, Communications, and Overseas Affairs, has been organized. At the committee meeting proper actions to be performed for coping with the international economic warfare are to be scrupulously studied on the basis of reports and information brought in by the members, and immediate retaliatory measures will be decided upon.

Cooperation with Manchoukuo and China

Simultaneously with the freezing of all Japanese assets, the American Government also froze all Chinese assets in the United States. According to the American Government's statement, Chinese assets were also included in the freezing order at Chiang Kai-shek's special request, apparently intended to prevent Chinese funds in the United States from being utilized by the National Government at Nanking.

When the Japanese Government effected, on July 28, retaliatory measures against the United States, Great Britain and the Dutch East Indies, the Governments of Manchoukuo and China also joined Japan in effecting the freezing of the assets of those countries.

On the same day the authorities in the Chinese territory occupied by the Japanese army issued an order freezing the holdings of nationals and juristic persons of the United States and Great Britain in that area.

Since the economic relations of Manchoukuo and China with the United States or Great Britain are different from those relating to Japan, the counter measures taken by these countries may differ accordingly. But the measures taken by the three countries, however, are essentially in common; their Governments will keep in close touch with each other in effecting reprisals against the unfriendly economic actions of the United States and other countries, all necessary communications being constantly exchanged between them.

Japan's present retaliation is not merely that of a tooth for a tooth, but that for causing the United States and other countries to reconsider their unfriendly economic actions against her. It is sincerely hoped that peace between Japan and these countries may be maintained and economic and commercial relations between them may be promoted even under numerous difficulties arising out of the present world conflict. It is believed that the true intention of the Japanese Government will be appreciated and recognized by the other party in the course of the operation of the Control Regulations.

CORPORATION FINANCE AND ACCOUNTING UNDER EFFICIENT CONTROL¹

DEPARTMENT OF FINANCE

NEARLY a year has elapsed since the enforcement of the Ordinance for the Control of Corporation Finance and Accounting on October 20, 1940. Some misunderstanding concerning the contents and purposes of the Ordinance, which existed at the time of its enforcement, has been successfully eliminated and clarified by degrees, so that smooth operation is assured.

The chief misunderstanding respecting the Ordinance pertained to such points as to whether it would limit profits, or whether it would separate management from capital. Such misconception apparently arose in conjunction with the problems of reorganization of the Japanese economic structure in the early stages of its enforcement when the Ordinance was not fully understood by the public. As time went on, however, it has been realized that this Ordinance does not restrict the acquisition of profits in themselves but merely places the distribution of profits acquired on a reasonable basis, and that it does not provide for any separation of management from capital. Explanations will be offered here of the policies in accordance with which it is enforced, together with the actual results of its operation.

The actual results for the first six months of its enforcement, ending on April 9, 1941, are tabulated as follows:

	Applications for Approval Filed	Applications Approved	Applications Denied	Applications Withdrawn	Total
1. Dividends		275	64	13	352
2. Officers' Remunerations		3,460	370	216	4,046
3. Employees' Remunerations		6,249	313	387	6,949
4. Monetary Contributions, Etc.		96	—	2	98
Total		10,080	747	618	11,445

¹ See for reference an article entitled "Control of Corporation Finance and Accounting" in the January, 1941, issue of TOKYO GAZETTE.

During the above-mentioned period, 11,445 applications were dealt with, of which 10,080 were permitted or approved, 747 turned down, and 618 withdrawn. The total of 11,445 applications dealt with is rather enormous, but when its contents are examined, we shall see that the greater part of it consists of applications for approval of transitional measures by those corporations which had exceeded the limits as provided in the Ordinance, in order to gradually lower their dividends, etc. to the level as prescribed by the Ordinance. A brief explanation will be given on each matter as classified in the above table.

On Dividends

Applications pertaining to dividends include applications by corporations existing after merger and whose rates of dividend for their initial business year have been fixed. But the majority of the applications was for gradual reduction of dividends by 2 per cent every term as a transitional measure by corporations which had been paying more than 8 per cent on their own capital² so as to comply with the Government's desire to avoid a sudden reaction in the country's economic life. For example, a corporation which paid 20 per cent dividend before the enforcement of the Ordinance, and therefore might pay 12 per cent, which corresponded to 8 per cent of its own capital, was, without exception, permitted to pay 18 per cent or only 2 per cent less than its former rate, which was in accordance with the government's policy to prevent sudden changes.

The above table does not take into account those corporations which have voluntarily lowered their rates of dividend so as to be within the limit of 8 per cent of their own capital. It is expected that the calculation of a corporation's own capital, on the basis of which the dividends are declared, will become more rational by the enactment of provisions concerning its depreciation and the appraisal of the property. As the applications for approval are thus based, for the most part, on transitional mitigating measures, it is expected that their number will decrease considerably after the lapse of three business years after the promulgation of the Ordinance.

Regarding the designation of the rates of dividends of merged corporations, the Government, in view of its policy to encourage

² Roughly the paid-up capital plus various reserves, excluding those for retirement allowances.

mergers, is giving due attention not to hinder such acts of merger. Excluding those cases in which merged corporations declare dividends of less than 6 per cent, corporations must make application to have their rates of their dividends fixed. Therefore, due consideration should be given by those corporations whose application for merger has been permitted under the Temporary Funds Adjustment Law.

On Officers' Remunerations

Under this head are included bonuses, salaries, and retirement allowances for officers. Applications for approval of bonuses for officers were, also, those of transitional nature submitted by corporations which had paid more than the maximum amount as prescribed by the Ordinance, in order to avail themselves of the Government's mitigating measures by allowing a decrease of bonuses by 20 per cent, instead of lowering them to the prescribed limit at a stroke. As in the case of dividends, corporations which have voluntarily lowered their officers' bonuses to the legal limit are not included in this table. Applications under this head are very numerous, but it is expected that they will decrease considerably, as in the case of the applications respecting dividends, after the lapse of three business years.

Applications for approval of officers' salaries were those submitted mostly by corporations, which had paid less than others, in order to increase them to the normal level. A great number of applications were made by corporations for the purpose of converting part of the bonuses into salaries which had been disproportionately small. The normal level of officers' salaries, as that of the basic salaries of employees stated below, has been kept confidential, for otherwise it may give rise to various evils. In this connection, it must be added that, though the normal level is fixed according to the nature and scales of business, due attention will be given, in the examination of the applications, to the business results and relative decrease of bonuses. Especially, with regard to the applications for approval to transfer part of bonuses to salaries, a sufficient margin is allowed in the normal level fixed.

This permission to transfer officers' bonuses to their salaries also is a transitional measure incidental to the enforcement of the Ordinance,

and the Government intends to abolish it at the earliest opportunity, as in the case of the permission to transfer employees' bonuses to their salaries stated below.

With regard to applications for officers' retirement allowances detailed explanations will be given here in view of misunderstanding prevalent at the time of the enforcement of the Ordinance. In this matter approval of the competent Minister is required except in the following two cases: where the amount does not exceed that of the total salaries in the last year before retirement, multiplied by one half of the years of tenure of office; and where the allowance is paid in accordance with regulations governing such payment adopted by the corporation with the approval by the competent Minister. Misunderstanding arose on the first point; for there were doubts as to the permissibility of retirement allowances exceeding this limit. But, as a matter of fact, this provision was by no means made from the beginning, in the belief that this was an appropriate limit of officers' retirement allowances, as is evidenced by the fact that a corporation is at liberty to give such allowances according to its own regulations approved by the competent Minister. Then, why is such a low limit set on this type of allowances? If retirement allowances are regarded as part of officers' remunerations, their unrestricted payment will enable corporations to evade legal limits, when they desire, despite the restrictions placed on salaries and bonuses. Hence this limit is enforced out of necessity.

It will not be proper to ask every establishment to fix the regulations governing retirement allowances of their officers and get them approved by the competent Minister. Except for major corporations having their own regulations governing remunerations, minor ones may not desire to adopt such regulations immediately. A way should be open, on the other hand, to enable corporations to pay retirement allowances free from any regulations, since such allowances are strictly of personal nature, fixed, as they are, out of considerations for the recipients' services. Therefore, arrangements have been made to enable corporations to pay retirement allowances regardless of the regulations, on approval by the competent Minister. As corporations are likely to feel inconvenienced if they are asked to submit for official approval a very small amount of the allowances, it is considered convenient for both the Government and the people to fix the limit within which no permission is needed. Thus, such

a minimum limit has been set as stated above. The policy along which this provision is put into operation has already been published, and retirement allowances payable for the years of services before the enforcement of the Ordinance, have been approved so far as they are not improper in view of the prevailing regulations, customs, etc.

On Employees' Remunerations

Under this head come applications for the increase of employees' salaries and bonuses, and the regulations governing their special allowances.

Applications to increase the employees' salaries to the normal level were submitted mainly by corporations whose salaries had been below the average standard. Many of the applications were filed for transferring to the basic salaries of part of the general allowances and bonuses which were reduced pursuant to the provisions of the Ordinance, by corporations which had been paying too little as basic salaries and too much as general allowances and bonuses. The normal standard is to be fixed in accordance with the employees' education, ages, and the number employed. In other words, it will be calculated according to a corporation's personnel setup. As in the case of the normal standard of officers' salaries, this is to be kept as internal rules and not to be made public, in view of possible adverse effects. As in the case of officers' remunerations, a sufficient margin is allowed in the normal standard when various allowances and bonuses are converted into regular salaries.

When salary increases to meet the normal level are effected, either in the regular salary itself or by transferring part of the bonuses to the regular salary between periodical increases or in the midst of a bonus period, how are such periodical increases or bonuses immediately following such payments calculated? With regard to the relations between special and periodical increases, a special increase is construed as one occurring at such irregular intervals between two periodical increases. Thus, a corporation which has made such special increase sometime during the periodical ones, is required to obtain official approval when it desires to make the next periodical increase even if its rate is within the limit of 7 per cent a year as prescribed by the Ordinance.

A few words of explanation may well be added here with regard to

the rate of 7 per cent in the raising of salaries. As frequently stated, this rate is applicable to all the employees, as well as corporations which are entitled to the increase of salaries, but this does not mean that each employee is entitled to a 7 per cent increase every year. In other words, a corporation can act freely within this limit. Although the Ordinance has fixed the maximum limit of initial salaries taking into consideration customs of corporations, it does not prevent corporations from increasing salaries of any worthy employee. Usually, the rate of increase of salaries for lower classes is comparatively high and low among those of higher classes. Except an establishment with an extraordinarily unbalanced personnel setup, or one with a very low standard of basic salaries, the average yearly rate of increase of 7 per cent is a rational one, as evidenced by the fact that no applications have been filed for the increases exceeding that maximum percentage by corporations with normal personnel setup and with a normal standard of basic salaries. Establishments, whose basic salaries are exceedingly low, are allowed to make special increase exceeding 7 per cent, in order to raise their basic salaries to the normal standard. Those whose employees are chiefly of a subordinate grade as, for example, when their average basic salaries are below 70 yen a month, are accorded a special treatment as this rate is irrational for them. Special consideration is given also to such a case in which a corporation, with employees whose average basic salaries are comparatively high, desires to raise the salaries of subordinate employees only in a periodical promotion.

Applications concerning employees' bonuses were those made in accordance with the Government's policy to regulate bonuses adopted at the end of last year purporting to avoid any sudden decrease in employees' cash income. With respect to the bonuses to be paid during the bonus period ending June 30, this year, the Government will approve, according to its policy already made public, up to the amount to be obtained by multiplying the total payment of basic salaries during the bonus period by the rate in the corresponding period of the last year. Cash incomes, however, will be decreased by 20 per cent as compared with the amounts by the same rate in the corresponding period of the previous year; that is to say, 20 per cent of the bonuses should be paid in accordance with Article 24, paragraph 1, of the Regulations relative to the application of the Ordinance, which provides for payment of 20 per cent in

national bonds or to be held in custody by the corporation. In case a special increase of salaries with the approval of the competent Minister, is carried out in the midst of a bonus period, by transferring bonuses or allowances so as to arrive at the normal standard of salaries, the application of the above policy tends to increase cash incomes; for the total sum of the basic salaries during the bonus period would be increased by the payment of bonuses. In this case, therefore, the foregoing policy is applied with such modifications that cash incomes will remain the same as in the case where no such increase of salaries had taken place.

As explained above, most of the applications for approval, though the items dealt with were numerous, were those of transitional adjustment measures. And upon completion of such transitional measures for adjustment, the Ordinance will become, as has been expected since its promulgation, something in the nature of an autonomous rule within the limit in which corporations can freely operate. Thus the administrative authorities will allow corporations to act in accordance with the rules they lay down, exercising only general control over the corporation's finance and accounting. If, however, some complaints are still heard against the Ordinance, it may be either those of the past, based on misunderstanding, or those against the transitional operation of the Ordinance. As a matter of fact, governmental control of corporations as provided for in the Ordinance is an innovation arising from the needs of the times, and it may be unavoidable that a certain amount of difficulties will be encountered until the Government and the people become thoroughly accustomed to it.

FROM JAPANESE POINTS OF VIEW

Under this general title, the TOKYO GAZETTE reviews books and other publications representing Japanese views of life and the world.

NIPPON NŌMIN NO SEIKATU-ZYŌTAI (LIVING CONDITIONS OF JAPANESE FARMERS) by Dr. Seiichi Tōhata.

This interesting study of agricultural life in Japan was originally a lecture delivered at the first popular lecture meeting held under the auspices of the National Science Association and has been incorporated into a book entitled *Problems of Present-Day Culture*¹ edited by the same association. In this paper Dr. Tōhata, a professor of agricultural economics at the Tokyo Imperial University, analyzes in a most illuminating way the living conditions of Japanese farmers from the point of view of the science he specializes in. His analysis of the differences between the life dependent upon paddy-fields and that upon other types of farming in their effects upon social customs and institutions and religious faiths is particularly interesting. The following is an outline of this fascinating study.

In Japan proper there are approximately five million farm families, which invariably belong to a category totally different from that of salaried and working classes, which comprise the bulk of the urban population. It is true that there are a few persons in rural districts in the employ of such organizations as producers' cooperative associations or agricultural societies, but most of them are engaged in farming work as well as working in offices, and there are thus very few salaried men in the ordinary sense. Nor are agricultural labourers large in number. Labouring masses, in the sense which implies that tens of hundreds of workers are employed in a single plant, are non-existent on Japanese farms. Labourers who work on farms are those employed individually by individual farmers and they differ from the ordinary workers in that they help in the house as well as in the fields.

¹ Published by the Chuō Koron Sha, Tokyo, June, 1941. pp. 405. 3.00 yen.

Although their total number, male and female, is not known, obviously a very small percentage of the farm population regularly employ them. In addition to these employees, there are a small number of men and women who offer temporary labour on the farms within their own villages or elsewhere. These cannot be termed workers in the pure sense of the word, since they themselves are either farmers or tenant farmers, offering temporary help in their leisure hours. Thus, the five million and a half independent farm families are, for the most part, supported by the labour of their own members, assuming an economic character similar to small traders, their enterprises being on such a small scale that they cannot afford to employ outside labour.

How, then, do they live? There are in Japan those chiefly engaged in truck farming, sericulture or raising rice; those half fishing and half farming; those chiefly making charcoal while at the same time cultivating a small patch of land; and those working in forests. In addition to this occupational classification, an interesting grouping may be made according to temperament, such as, for example: farmers along the Japan Sea coast of the Tohoku (Northeast) districts which are snowbound in winter, are patient, slow, and steady as oxen; those in warmer districts are obstinate; and those near big cities are inclined to profit-making. A list of temperaments such as these could be continued indefinitely. The type of farmer who forms the most important subject for the present study, however, is the paddy-field farmer, who constitutes approximately 80 per cent of the farm population in Japan.

An essential factor affecting living conditions of these rice growers is irrigation. The most primitive method of irrigation employed in Japan is to receive natural water or rain into the field. A little more advanced is the small-scale artificial irrigation such as supplying water from an artificial pond or a big river by the cooperation of farmers and land-owners. A step further, large-scale irrigation is introduced by which water is systematically supplied from a big reservoir. An enterprise such as this is far too big an undertaking as a joint enterprise of small farmers and land-owners, and can only be realized with substantial State assistance.

When artificial irrigation is introduced, water is shared jointly by a community or communities. Japanese farm families live, for the most part, in a close community with water as its centre. If isolated,

living houses and roads take up too much land, leaving less space for paddy-fields. Thus farm families are compelled to live, through the common utilization of water, in a close communal life. They are not allowed to act independently and are required to protect their communities for the right to use water as their common destiny. Thus mutual reliance to the extent of meddling in the affairs of others is instilled in them, with the result that their individualities are not fully developed—a characteristic which is formed under the constant domination of a common fate or, at best, by the over-emphasis of a communal mind. As a result, a person of slightly strong individuality is ostracised in the farm community. The communal mind is not based on the wakening of individuality but on the external natural conditions of irrigation. Accordingly we can still find many feudalistic elements remaining in rural life.

Contrary to this, farmers whose living depends chiefly on truck farming are certainly more independent and more inclined to work out their own destiny, as compared with the paddy-field farmers. This type of farming is practically dry farming, free from the anxieties of irrigation, and consequently a close communal life is not called for as in the case of paddy-field farming. For example, farmers in Musashino or the Chichibu districts, both near Tokyo, who live chiefly on truck farming, live an independent or isolated life by planting trees or building a fence around their houses. They have little knowledge of their neighbours, and even in time of adversity, they seldom ask help of their neighbours. Their activities are scarcely known to their immediate neighbours. This is inevitably conducive to the cultivation of the independent mind, which is evident among them in no small degree. The truck-farming districts have been developed by the ever-growing demand for vegetables with the growth of modern cities, and, as they have many intimate contacts with the commercial life of cities, they are under the influence of modern ways and thinking. The paddy-field districts, on the other hand, have undergone little change since ancient times, and tenant farmers in particular have had very little contact with modern urban ways, usually paying their rents in kind and having little rice to sell.

Thus, truck farmers do not rely on the help of their neighbours, but in times of need go with little hesitation to the town for help. As a result, there is no marked difference in the living standards of the tenant and landed farmers of these communities. If an average

standard of living cannot be maintained, tenant farmers will leave the community in quest of a better life elsewhere. Presumably there is a strong tendency of free competition and free change of occupation which, in turn, determines the living standard. Farmers in the paddy-field districts, on the contrary, are bound so closely to the fields that they can not easily remove to other places; only by remaining in the community where they were born, can they live and, even if they lose their means, they can turn to the help of their neighbours. Their love for their fields is indeed a very deep-rooted one. The Tohoku districts have an exceptionally high birth-rate; but their paddy-field farmers have such a strong will-to-live that no appreciable tendency is seen among them to leave their own communities, presenting a sharp contrast with farmers in the truck-farming and mountainous districts.

The influence that water and nature have upon a farmer's life is extremely great. Too much water is as harmful to the cultivation of rice as lack of rain, both of which conditions are beyond human control. Of course, there are certain artificial ways to cultivate water resources, including the prohibition of indiscriminate felling of trees, the encouragement of afforestation, the improvement of water-ways and the construction of ponds; in many cases, however, such measures are not sufficient to prevent water shortage. The result is that society is at the mercy of the condition of the crops. The bearing of crops upon the social and economic life of the people has always been important. Especially was it so in former days when rice occupied a more important place among the nation's produces. In other parts of the world, too, no doubt the welfare of society depended upon the crops. The point to be especially noted, however, is that artificial irrigation has always been threatened by the caprices of nature, and that, in order to get rid of this menace, society has always had to bear big burdens, which dry farming could have totally dispensed with. What an enormous expenditure of money and labour has gone to the construction of ponds and water-ways! Dr. Gustavo von Schmoller, a German economist, was right when he said that the quantity of slaves' labour spent for the construction of pyramids in Egypt was infinitesimally small when compared with that of farmers in the Orient spent in the construction of paddy-fields. An immeasurable amount of labour is lost and spent every year by floods, droughts and repairs, and tremendous

social expenses have been outlaid for the rice crop in Japan.

The rice crop places burdens on individual farmers as well as on society as a whole. The farmers have to bear the strain of irrigation and droughts, which claims the greater part of their income, leaving little for saving. Thus, before inexorable Nature helpless peasants with comparatively little wealth inevitably become fatalistic in their attitude. The Japanese farm communities have a variety of festivals, many of which pertain to nature. Likewise, many religious ideas and superstitions in Japan are connected with nature.

In this connection, a brief explanation may be necessary as to how the farmers work in Japan. Japanese farmers usually till a comparatively small area of arable land, which is subdivided and scattered here and there in the village. Taking the rice crop as an example, a few months are necessary for the growth of rice, during which period farmers work unevenly, sometimes busily and sometimes leisurely. In the eyes of factory-workers who work more or less constantly, farmers may at times seem idle. As a general rule, they are busy in summer and have little to do in winter. Even if they cultivate a variety of crops, it is difficult for them to so regulate their labour as to enable them to work more or less evenly throughout the year; their labour is inevitably controlled by the growth of the crops and the state of the weather.

Under present-day conditions in which intensive agriculture has to be maintained, the employment of machinery is economically very difficult. It is impossible to employ different kinds of machines suited to a given stage of the growth of rice which lasts only several days. Thus, small implements, instead of machines, to assist manual labour have become principal agricultural tools.

In the American continent farmers use a mechanical apparatus to milk a cow, but by this method the period in which cows are in milk is shorter compared with the method to milk by hand as practised in Japan. There wages are so high that a dairy with manual labour is economically an impossibility, and they can afford to let cows run dry early; whereas here in Japan wages are so low and labour so plentiful that in agriculture human labour is cheaper than machinery. Mechanization of agriculture, which is technically very difficult by itself, becomes definitely difficult in Japan from the economic point of view. Thus, small farmers in this country rely mainly on their own manual labour and that of their family members,

assisted by some agricultural tools. Japanese agriculture, which aims at getting the best possible crops through sheer human labour, is vastly different from industry which produces goods on a systematic and constant basis by the use of machinery. There is a wide difference between agricultural and industrial products. An agricultural product is the product of a farmer's own hands, even of his own heart and soul and is therefore full of artistic senses, as compared with a modern industrial product which is turned out on a mass-production system, in a standardized form, stored jointly and sold on a mass scale. This fact renders it difficult for small peasants to establish any direct connections with a big market.

HIKARI TO KAGE (LIGHT AND SHADE). By Tomoji Abe. Tokyo: Sinto Sha, 1939. pp. 370, 1.80 yen.

Among the foremost writers in Japan today the name of Tomoji Abe is well known, not only for his popular novels which cater for the general reading public, but also for his more ambitious literary attempts in the nature of *belles-lettres*. A member of the faculty of the Meiji University and Bunka Gakuin, both widely known higher institutions in Tokyo, this distinguished author is a student of modern English literature. His literary contributions also include miscellaneous jottings, reviews, and translations of English and American literature, and, as may be expected, his writings are generally accepted as being highly intellectual. Having early entered the literary field, his name is already well established in contemporary literary circles. Although still in his late thirties, he has several popular novels to his credit, the more widely read being *Mati* (Street), *Asagiri* (Morning Mist), *Hūsetu* (Blizzard), *Peiping*, *Kōbuku* (Happiness), and others.

The passages here translated are taken from his novel *Hikari to Kage* (Light and Shade) and are typical of his style. This story first appeared as a serial in the Tokyo Asahi, one of the leading newspapers in Japan, which together with its Osaka edition can boast of more than three million readers. The hero of the story "Kōkiti" is a young health officer of scholastic type and is more or less representative of the intellectualists of present-day Japan. His work brings him in contact with "Mine Amano," once a woman of easy virtue, who is now led back to a decent life. At first his overtures

are met with misunderstanding and hostility but his humanitarian sentiment prompts him to try to help her. Although his actions are understood and appreciated by his fiancée later, for a time his relations with this woman place him in an awkward position. The following scene takes place just as complications are beginning to arise.

It was a bright Sunday morning.

To Yabusita¹ and his girl friend, Haruko, the day was pleasantly impatient, for they had planned to go to the seaside to escape the heat of the city. Although he was fairly tired he woke early and was rushing up the steps of Tokyo Station long before the time he had arranged to meet her.

In the crowded throng of people all on their way to the sea the giant figure of Yabusita was plainly visible. He wore a white suit, with an immaculate and cool straw hat crowning his head.

Kōkiti also waved his hand as a sign of recognition to Yabusita, who was wading his way through the crowd toward him. . . . It was then that Kōkiti noticed a young girl of rather small build in a simple white dress, who seemed to be clinging on to him like a little boat hiding behind an ocean liner.

When they came nearer she bowed with a smile half hiding behind Yabusita's stature.

The train pulled in and at once Yabusita pushed his powerful way into the carriage and got seats for them.

When they were finally seated Yabusita, his face glowing with oily perspiration, introduced his sweetheart, Haruko Tai.

"This is the *darling*, the one I was telling you about the other day. Hope you like her."

"Father must have given you lots of trouble." She spoke with a tone shyly respectful, sitting there beside Yabusita, and then bowed modestly.

"Oh, no, no! It is rather I . . .," Kōkiti looked at her as though making a close observation. . . . She appeared gentle and well-mannered. It was but natural for her father to worry when he was asked to send this frail figure to the Continent, reflected Kōkiti as he watched her pale white face, the supple curves of the shoulders that made the entire body look like a dear little image. However,

1 Kōkiti's assistant, who is good-natured and sincere, though ignorant of the world.

there was something strong and lively about her, as if a light were radiating from somewhere about this seemingly gentle person with her expressive features?

It may be self-confidence in life of a young girl endowed by nature. It may be that which for many years has been firmly rooted in the core of her life, or again it may be the outward expression of her happiness after having completely surrendered to Yabusita, which is now making this young little figure so sprightly. Kōkiti suddenly felt something like envy within him and again made a critical comparison of the two sitting in front of him—the big one and the small one. Although their combination appeared comical, still something told him that they were well matched, and he could not but wonder what made him think so.

"I'd like to thank you for taking all that trouble with her father for us. Yes, he has come to understand us better after that." Yabusita addressed Kōkiti in a somewhat firm and ceremonious tone. Then he turned to Haruko, his eyes brimming with caressing fondness.

"Well, I wish you every luck!" Although Kōkiti was congratulating them, Haruko was too shy to accept it, so she opened her hand-bag and took out a small book to read, hiding her face behind it.

When the train reached Sinbasi Station Yabusita suddenly struck his head out of the window searching for some one rather excitedly.

"Looking for some one?" Kōkiti asked.

"No, no!" He scratched his head.

But he did not stop looking. When the train began to move he once again scratched his head and muttered to himself. "That's queer . . ."

A few minutes later when the train reached Sinagawa Station, he waded his way through the crowded coach and finally got out on to the platform. He was certainly looking for somebody.

"Is some one else coming?" Kōkiti inquired.

But Haruko only answered, "No. Not that I know of."

Just then Kōkiti saw Mine Amano whom he remembered having met some time before, walking behind Yabusita in her black kimono.

Yabusita led Mine Amano into the carriage and stammered out rather ambiguously, "I just happened to catch sight of her . . . She is going to the beach too . . . yes, we talked a few days ago . . ."

But judging from the fact that Yabusita had rushed into the train

and occupied four seats at Tokyo Station, the coming of a fourth person was obviously no mere coincidence, but a well planned arrangement.

Kōkiti looked at Yabusita as much as to say, "I know you planned it all."

Yabusita fidgeted a bit, mopping the perspiration from his face.

"The truth is that when I met Miss Amano a few days ago I asked her to join us. I thought it was a good opportunity to spend a day at the beach together," he finally confessed.

"Is it against your will?" Mine Amano spoke for the first time taking her seat beside Kōkiti. In her voice he sensed a peculiar mixture of shyness and defiance.

"No. It is all right," Kōkiti answered curtly, and then fell into silence.

He was shocked by this sudden, unexpected happening. His surprise had not yet subsided . . . What in the world is this undiscernible plan of Yabusita, Kōkiti began to wonder. Is it some prankish idea?—no, that would be discrediting him too much. It must have arisen purely through his friendly association. But Kōkiti could not deny that the affair had abruptly disturbed his tranquil state of mind of the last few weeks. During the past few days Kōkiti had absolutely forgotten his own trouble and was completely engaged in researches at the laboratory. Then, again, his thoughtfulness in mediating for Yabusita and Haruko by talking her father round had also added to his feeling of restfulness and self-reliance. The idea of accompanying this pure-hearted couple on a trip for the day had offered further relief to his strained nerves. He began to imagine that all these happy thoughts had been so abruptly broken into pieces by Yabusita's too pretentious consideration, and he could not suppress the anger rising within him.

Mine Amano's keen observation must have noted Kōkiti's unsettled displeasure. Yabusita had introduced her to Haruko, who had given her some chocolate. Holding this in one hand, she began to fan herself convulsively as if to conceal her embarrassment.

When Kōkiti looked at her, he again began to feel pity for her. Even this girl, he reflected, has the right to happiness once in a while on a holiday with her friends, for instance, and there is no reason why she should be so unkindly denied of such pleasure. Yes, she must be cared for. She needs more sympathy and kindness.

"How are you getting along after the illness?" he finally broke the silence.

"Thank you."

She was rather surprised by such a kind inquiry, but she at once lowered her head again.

A long silence then ensued. Yabusita must have felt awkward and was gazing out of the window. Suddenly he dived into his pocket for a magazine, and turning to Haruko began to read a passage on North China in a rather unnatural voice.

"... Although the inefficiency and backwardness of sanitary conditions in North China and Mengchiang are well known; there is no fundamental policy for any improvement... For instance, last summer's cholera epidemic, bubonic plague in Shensi and Shansi, eruptive typhus in Shansi, malaria in the southern regions of North China, these are all hindrances to Japanese expansion in that part of the Continent... It was then that the Hygienic Institute of Japan was founded on a large scale... That Institute... Listen, dear, it is that organization I am planning to join... The first thing to do is prevention..."

The mist overhanging the sea was glistening. It was as if tiny particles of glittering light were burning brilliantly and sparkling over everything. The sea remained within the blinding screen and in the distance it melted into the sky with the mist. Near by as if choked by the mist the white foam dashed on to the sandy beach. The dim rays of the light coming through the mist from the sky above made the white sandy beach appear sometimes like a sheet of metal and sometimes like creamy milk.

Kōkiti had a pleasant dip, and was lying on the beach alone to rest.

The mountains of Izu Peninsula and Hakone beyond the beach appeared only as a faint shadow in the far distance. As Kōkiti closed his eyes he could hear the onrush of the wavelets dashing ashore that sounded as if the sea were laughing at him, and in the intervals of the rustling wavelets he could also catch the meaningless and noisy murmurs of the people bathing in the vicinity.

CONCERNING THE EXCHANGE OF MESSAGES
BETWEEN PRIME MINISTER, PRINCE FUMIMARO
KONOE, AND PRESIDENT OF THE NATIONAL
GOVERNMENT OF CHINA,
MR. WANG CHING-WEI

—Announcement made by the Board of Information
on July 23, 1941—

Upon the formation of the third Konoe Cabinet, the Prime Minister, Prince Fumimaro Konoe, and the President of the National Government of the Republic of China, Mr. Wang Ching-wei, exchanged the following messages, renewing thereby the determination of Japan and China to march bravely forward for the establishment of the New Order in East Asia.

MESSAGE OF PRIME MINISTER KONOE

The recent Cabinet change was effected to render more vigorous the execution of national policies in meeting the world situation by perfecting and strengthening with speed the internal structure of our country. The fact that a renovation has been effected in the composition of the Cabinet through the change has, as Your Excellency knows, been made clear through our Government announcements and others.

There is, of course, no change whatever in Japan's foreign policy, and our fixed policy toward your country and the close and cordial relations between the two countries, which have further been strengthened through Your Excellency's recent visit to Japan, will remain unaffected in the least. I earnestly hope that Your Excellency will take note of this fact and continue to exert valiant efforts for the stabilization of East Asia. As for my part, I wish to add that, in accordance with the pledge made between Your Excellency and myself, I will continue to render with increasing effort a hearty cooperation for the collaboration between your country and mine and for the prosperity of China.

MESSAGE OF PRESIDENT WANG CHING-WEI

Upon learning yesterday that Your Excellency was commanded by the Throne to form a new Cabinet, I hastened to tender to Your Excellency my congratulations by telegram through our Ambassador, Dr. Chu Min-yi, which I trust Your Excellency has already read. Having now received Your Excellency's message through the Japanese Minister, Mr. Shinrokuro Hidaka, I can not but feel exceedingly delighted as well as reassured with the knowledge of Your Excellency's great aspirations.

Japan and China must put forth joint efforts on the basis of their immutable policies for the realization of peace and stabilization of East Asia, the foundation for which has already been deeply and solidly laid by Your Excellency. Having had the opportunity last month personally to exchange views with Your Excellency and to enhance our mutual cordiality, I have been enabled to cooperate and go forward with Your Excellency. This is solely due to the ardour of our mutual trust. My self-confidence has also increased, and, accordingly, I intend to exert my utmost efforts to attain the ultimate object.

Thanking Your Excellency respectfully for Your Excellency's cordial message and hoping for the prosperity of your country and the health of Your Excellency.

DOCUMENTS CONCERNING JOINT DEFENCE OF
FRENCH INDO-CHINA

I

—Statement of the Japanese Government Concerning the
Conclusion of the Agreement, Issued by the Board
of Information on July 26, 1941—

THE relations between Japan and French Indo-China have of late become rapidly closer as the result of the agreement reached in August of last year between the then Foreign Minister, Mr. Yosuke Matsuoka, and the French Ambassador, M. Charles Arsène-Henry, and other agreements concluded on various occasions subsequently. A complete agreement of views has now been reached through friendly conversations between the Governments of Japan and France regarding their joint defence with respect to French Indo-China.

Japan intends to observe strictly her obligations arising from the various existing arrangements between Japan and France, especially the solemn promise of respecting the territorial integrity and sovereignty of French Indo-China, and at the same time to endeavour for the promotion of the amicable relations subsisting between Japan and France, thereby realizing common prosperity of the two countries.

II

—Statement of the Foreign Office Concerning the Conclusion
of the Agreement, Issued on July 26, 1941—

Indo-China and Japan have from olden times been closely bound in cultural, historical and economic relations. Prior to the closing of Japan to foreign intercourse by the Tokugawa Shogunate, there had already been two Japanese towns each in Annam and Cambodia and very prosperous trade carried on with Japan. These relations were interrupted, however, when the Shogunate prohibited Japanese from going abroad. In recent times, Indo-China has reestablished the old relations with Japan in a new sense as a source of supply of

materials for the industries of Japan. The renewed relations have of late steadily become closer and more cordial with Indo-China constituting an important link in the sphere of common prosperity of Greater East Asia which Japan is endeavouring to establish.

Fully appreciating such a close relationship of Indo-China with Japan and its importance, France definitely recognized the preeminent position of Japan in French Indo-China through the exchange of documents between the then Japanese Foreign Minister, Mr. Yosuke Matsuoka, and her Ambassador in Japan, M. Charles Arsène-Henry, in August of last year. Then, in May of this year, she concluded with Japan the economic agreement and signed the Protocol concerning political understanding, striving thereby to solidify the good neighbourly and amicable relations and to promote the close political and economic relations between Japan and French-Indo-China. France has thus consistently continued her friendly cooperation with Japan.

However, the internal and external conditions of French Indo-China have recently been greatly affected by the changes of situations in Europe and East Asia with increasing signs of even the security of French Indo-China being threatened, if such developments were left alone. If by any chance the situation should so develop that French Indo-China were thrown into a chaotic condition, it could not, in self-defence, be overlooked by Japan, not to mention France herself. It has been keenly felt, therefore, by both Japan and France that they were bound by a very close relationship as well as common interest with regard to the position of French Indo-China.

From such a point of view, the Japanese Government, for some time past, had carried on negotiations through the Japanese Ambassador in France, Mr. Sotomatsu Kato, with the Government at Vichy. These negotiations progressed smoothly in an extremely friendly atmosphere and, on the 21st of July, a complete agreement of views was reached between the Governments of Japan and France concerning their joint defence of French Indo-China. Japan and France have thus been ushered into more intimate relations with each other with French Indo-China serving as their connecting link. Needless to say, it will powerfully contribute toward the stabilization, co-existence and co-prosperity of Greater East Asia.

It scarcely needs reiteration that the Japanese Government intend strictly to observe various existing agreements between Japan and

France concerning French Indo-China and to respect the territorial integrity and sovereignty of French Indo-China, and Japan will put forth increasing efforts for the promotion of the Japanese-French friendly relations, thereby realizing common prosperity of the two countries.

III

—Announcement Concerning the Conclusion of the Japanese-French Protocol, Issued by the Board of Information on July 29, 1941—

With regard to the conclusion of the Protocol between Japan and France concerning Joint Defence of French Indo-China, necessary procedures were taken, and yesterday, July 28, an Imperial Sanction was given thereto. The Government, therefore, immediately sent instructions to the Ambassador to France, Mr. Sotomatsu Kato, to sign the Protocol, which was duly signed and sealed at Vichy today, July 29, by the Ambassador and the French Vice-Premier and concurrently Foreign Minister, Admiral Jean-François Darlan, and it went into effect on the same date.

The full text of the Protocol is as follows :

[Unofficial translation]

The Imperial Japanese Government and the Government of France,

Taking into consideration the present international situation,

And recognising as the result, that there exist reasons for Japan to consider that, in case the security of French Indo-China should be threatened, general tranquillity in East Asia and her own security would be exposed to danger,

And renewing at this opportunity the promise made by Japan, on the one hand, to respect the rights and interests of France in East Asia, especially the territorial integrity of French Indo-China and the French sovereignty over the whole of the Union of French Indo-China; and the promise made by France, on the other hand, not to conclude with any third Power or Powers any agreement or understanding regarding Indo-China envisaging political, economic or military cooperation which is directly or indirectly aimed against Japan,

Have agreed upon the following provisions :

- (1) The two Governments mutually promise military cooperation for joint defence of French Indo-China.
- (2) Measures to be taken for such cooperation shall be the object of special arrangements.
- (3) The above stipulations shall be valid only so long as the situation which has motivated their adoption exists.

In witness whereof, the undersigned, having been duly authorized by their respective Governments, have signed and affixed their seals to the present Protocol to go into force as from today.

Done at Vichy, in duplicate, in the Japanese and French languages, this 29th day of July, the 16th year of Syōwa, corresponding to the 29th day of July, 1941.

Sotomatsu Kato
Jean-François Darlan

STATEMENTS CONCERNING THE ELEVATION OF THE JAPANESE LEGATION IN THAILAND TO THE STATUS OF EMBASSY

I

—Announcement by the Board of Information
on August 16, 1941—

On the basis of further enhancing the traditional, friendly relations between Japan and Thailand, the Japanese Government held conversations with the Thai Government as the result of which the two Governments have decided mutually to elevate their Legations to the status of Embassy. Accordingly, the Japanese Legation in Thailand has been made the Embassy on August 16, 1941.

The Government have decided to appoint as the first Ambassador to Thailand Mr. Teiji Tsubokami, regarding whom they have already obtained the agrément from the Thai Government.

II

—Statement of the Foreign Office Issued on August 16, 1941—

Thailand, the only independent nation in the South Sea region, is historically in an especially close relationship with Japan ; and it is well-known that in recent years the friendly relations existing between the two nations have become increasingly cordial.

It is needless to reiterate this historical relationship between Japan and Thailand. In recent years, in particular, their relations have grown steadily closer, beginning with the conclusion, in December, 1937, of the Treaty of Amity, Commerce and Navigation, by virtue of which Japan abolished her rights of extraterritoriality. This was followed, in June, 1940, by the conclusion of the Treaty of Amity. The recent Thai-French Indo-China border dispute was amicably settled through the mediation of Japan, in connection with which the Protocol concerning Political Understanding was signed, in May last, between Japan and Thailand. More recently, on August 5, Thailand formally recognized Manchoukuo.

In the economic field, also, the relations between the two countries of ministering to each other's needs have grown year after year; and particularly since last year, Japan has been buying from Thailand important materials, such as rice, tin, rubber, etc., while Thailand has been purchasing from Japan necessary commodities, which has served to increase considerably the trade between the two countries. Furthermore, the communications between Japan and Thailand have greatly improved since the opening of the air-mail service, and the number of Japanese residents in Thailand has markedly increased.

In view of the foregoing situation, the Japanese Government have been considering the question of elevating their Legation in Thailand to the status of Embassy and making necessary preparations. A complete agreement of views having been reached, the Japanese and Thai Governments have decided to elevate each other's legations to the status of Embassy, as announced today by the Board of Information. It is expected that the present step will contribute powerfully toward the promotion of cordial relations between the two countries.

*Published by Mitsunaki Kakabi, The Tokyo Gazette Publishing House, Zyoobokuyoku,
22, 3-iyome, Marunouchi, Kojimati-ku, Tokyo. Printed by K. Kotakai, the Kenkyusaba,
2 Kagurazyo 1-iyome, Urigome, Tokyo.*

Annual Subscription including postage Nine Yen in Japan, Twelve Shillings in the British
Empire and Three Dollars in U.S.A.
75 sen, 1 shilling or 30 cents per copy.

昭和十六年九月一日 印刷 昭和十六年九月一日 發行
發行所 東京市麹町區丸之内三ノ一二情報局内 東京ガゼット發行所
編輯兼發行人 東京市目黒區自由ヶ丘三ノ九 眞 光 朗
印刷者 東京市牛込區神樂町一ノ二 小 瀬 井 吉 藏
印刷所 東京市牛込區神樂町一ノ二 研 究 社 印 刷 所

"Japanese Standard Size 35"